

**VSH FUTURES**  
**FACTORS RELATED TO ADHERENCE TO CON PROCESS**  
**April 4, 2006**

<b>Support Futures Through the CON Process</b>			
<b>Purpose</b>	CON process designed for private health care entities that have own governing body, ability to garner capital resources, etc. to ensure that the projects are needed and are fiscally sound	CON process would need to be significantly altered to accommodate state funded project.	
<b>Program Design and Fiscal Authority</b>	BISHCA Commissioner	Legislative oversight would yield to BISHCA Commissioner; outcome may alter program design(s) and fiscal implications.	
<b>Public Input</b>	Defer process for public input from the Futures Advisory Group to the Public Oversight Commission (POC)	Formal process for public input, interested party status	
<b>Timeline</b>	Conceptual CON and CON are estimated to take 10 months each; CON lengthens timeframes by an estimated twenty months to 2 years.	Projected opening date for new inpatient services is January 2012	
<b>Additional Project Costs</b>	Estimated costs for the CON process:		
	<ul style="list-style-type: none"> <li>Filing Fees (.125% of est. capital expenditures or maximum \$20,000)</li> </ul>	\$20,000	Concept CON
		\$20,000	Full CON
	<ul style="list-style-type: none"> <li>BISHCA review (architects, accountants, construction management to review proposed design, billed back to AHS &amp; BGS)</li> </ul>	\$20,000	Concept CON
		\$20,000	Full CON
	<ul style="list-style-type: none"> <li>Staffing (CON expert contract; 100 hours @ \$90/hr)</li> </ul>	\$10,000	Concept CON
		\$10,000	Full CON
	<ul style="list-style-type: none"> <li>VDH/BGS staff (200 hrs to prepare application; 50% FTE during Q &amp; A periods)</li> </ul>	In-kind	
	<ul style="list-style-type: none"> <li>Two years inflation on building costs (7.5% inflation/yr on \$20 million bldg cost)</li> </ul>	\$3,000,000	

	<b>Total Direct Estimated Costs</b>	<b>\$3,100,000</b>
<b>Other Implications</b>	<p>Continuation of existing VSH for additional two years</p> <ul style="list-style-type: none"> <li>• Operation in an inadequate physical facility, patient care issues</li> <li>• If do not receive certification, will lose 60% federal share of est. \$22,000,000 projected operating costs</li> </ul> <p>Planning and program development occurs through a formalized process.</p> <p>CON application requires 4 year commitment of resources.</p>	<p>\$26,400,000</p> <p>Formal appeal process, interested party status for stakeholders</p> <p>Conflicts with Annual Appropriations process.</p>

<b>CON Process Exemption</b>		
<b>Purpose</b>	Legislature assures that new state programs are needed and are fiscally sound.	Consistent with existing statutory authority
<b>Program Design and Fiscal Authority</b>	Legislature provides input into program design, with recommendations from the Futures Advisory Committee, and appropriates funding	Consistent with program approach currently approved by Legislature and stakeholders
<b>Timeline</b>	Implementation timeline is two years shorter	Projected opening date for new inpatient services is January 2010
<b>Additional Project Costs</b>	None (costs limited to planning, capital development, and construction)	Consistent with Legislative Appropriations process
<b>Other Implications</b>	Planning and program development occurs in a more adaptable and less defined process	Consistent with current legislative and stakeholder processes.